scrutiny of candidates at the time of recruitment and initiate disciplinary action promptly and awarding exemplary punishment to delinquent employees.

Foreign exchange reserves

79. SHRI MANOJ BHATTACHARYA: Will the Minister of FINANCE be pleased to state:

(a) the amount of India's total foreign exchange reserves as on 1 st January, 2005;

(b) whether it is proposed to withdraw a part of the forex reserves to fund the infrastructure development;

(c) if so, whether any guidelines have been laid down in this regard;

(d) if answer to (b) above be in the negative, the reasons therefor; and

(e) in what ways it is proposed to utilise huge forex reserves?

THE MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) India's foreign exchange reserves stood at US$131.2 billion on December 31, 2004.

(b) to (d) Any decision to utilise a part of India's foreign exchange reserves for funding domestic projects requires a careful assessment, *inter alia,* of the impact of such a measure on the fiscal situation, money supply, exchange rate, domestic interest rates, reserve adequacy and inflation. An informed debate, on the feasibility of such an utilisation, is currently on.

(e) The foreign exchange reserves will continue to be invested as per the relevant provisions of the RBI Act (1934) based on the considerations of safety, liquidity and return.

Structural adjustment loan for Maharashtra

80. SHRI R.S. GAVAI: Will the Minister of FINANCE be pleased to state:

(a) whether it is **a** fact that the State Government of Maharashtra has submitted **a** proposal of 10 thousand crores as a structural adjustment loan from World Bank through Government of India;

(b) if so, the details thereof; and

(c) what action Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Govt, of Maharasthra submitted a proposal in September, 2002 seeking assistance in the form of a special structural adjustment loan (SAL) from the World Bank amounting to US $ 750 million, equivalent to Rs. 3750 crores. The request has been followed up a number of times by the State since then.

(c) It is not feasible to consider the State Government's request for structural adjustment loan assistance since the State does not qualify for such assistance.

FDI limit in private banks

81. SHRIMATI N.P. DURGA: Will the Minister of FINANCE bepleased to state:

(a) whether Government are moving towards allowing 74 per cent FDI in private banks;

(b) whether any consultations with the Reserve Bank of India have been made in this regard;

(c) whether it is a fact that the RBI circulated guidelines for this purpose to ascertain the views of the people, institutions etc; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) On 5th March, 2004 the Ministry of Commerce and Industry after consultation with Reserve Bank of India, issued a press notification raising FDI limit from 49% to 74% in private sector banks under automatic route.

(c) and (d) Yes, Sir. Reserve Bank of India came out with draft guidelines on ownership and governance in private sector banks on 2nd July, 2004. These guidelines were placed in public domain on RBI website for wider feedback. RBI has processed the feedback received from different individual/entities/Organisation etc. and will be issuing the final guidelines soon.